THE HON'BLE MR. JUSTICE S. ANANDA REDDY

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W.P.Nos. 13397 & 14205 of 2005

Dated: August 2, 2005

Between:

K. Venkat Rao, S/o. K. Gangaram, aged about 47 years,

0ccu: Retired, R/o. 2-1-153, NGO's Colony, Near CDC Office,

Zaheerabad, Medak district. (WP No.13397/2005).

and

V. Vengi Reddy, S/o. Pulla Reddy, 41 years,

R/o. Cherukucherla village, Miduthur Mandal,

Kurnool District. (W.P.No.14205/2005)

…Petitioners

and

Managing Director,

Nizam Sugars Ltd., Shakkar Bhavan,

Basheerbagh, Hyderabad & 2 others.

(Common respondents in both the writ petitions)

…Respondents

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COMMON ORDER:

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These two writ petitions are filed by the petitioners aggrieved by the non-payment of

interest on the delayed payment of the amounts due in connection with their voluntary retirement.

2. According to the petitioners, they were working as Deputy Managers in Nizam Sugars Limited and opted for voluntary retirement scheme (VRS), which was floated by the Company with the consent of the 3rd respondent. Though the petitioners were relieved after accepting their VRS applications on 31.10.2002, but, however, the respondents did not pay the terminal benefits to which they are entitled under the scheme. However, finally the petitioners were paid the said amounts only on 05.05.2005, though they are entitled for the said amounts as on the date when they were relieved from service, accepting the VRS applications. The grievance of the petitioners is that with reference to other similarly placed persons, who have approached this Court, and as per the orders of this Court in W.A.No.1142 of 2003 interest was also paid at the rate of 6% per annum on the amounts due and payable under the scheme. Hence, the Writ Petition.

3. A counter is filed on behalf of the respondents disputing and denying the claims of the petitioners. It is stated that the petitioners are differently placed than other employees. It is stated that there were certain allegations against the petitioners, and therefore, the Board of Directors took a decision on 08.03.2001 to refer the matter for verification of the allegations, and accordingly by proceedings dated 17.03.2001, the Managing Director of the Company referred the allegations against the petitioners to the Anti-Corruption Bureau, and finally the Anti-Corruption Bureau after conducting necessary enquiry reported on 11.02.2005 that there was no material as to substantiate the allegations made against the petitioners. Basing on the said report, the Government issued proceedings dated 28.04.2005 accepting the recommendations of the Anti-Corruption Bureau and dropped further action against the petitioners. It is stated that thereafter immediately the amounts due to the petitioners were paid to them. Therefore, there is no default or delay on the part of the respondent-Company, but it is only due to the pendency of the enquiry by the Anti-Corruption Bureau that the amounts were not paid to the petitioners.

4. The learned Counsel for the Respondents contended that as per the provisions of

the Scheme, the scheme would be subject to the outcome of any disciplinary proceedings, such as criminal investigation/domestic enquiries pending against the employees. Therefore, it is contended by the learned counsel that in view of the pendency of the investigation, which could be termed as criminal investigation, the petitioners are not entitled for any interest on the so called delayed payments.

5. The above said claim of the respondents is objected to by the learned counsel for the petitioners stating that no case was registered and no proceedings were initiated against the petitioners. Therefore, it is not correct to claim that proceedings or criminal investigation was pending against the petitioners. Further, all the other employees were paid the amounts within time, and, where there is delay, interest was paid with effect from January 2003. Therefore, the petitioners are also entitled for payment of interest at least from January 2003.

6. Heard the learned counsel for the petitioners and the learned Government Pleader for Industries and considered the material on record.

7. The grievance of the petitioners is that the respondents did not pay the terminal benefits in time to which they are entitled to under Voluntary Retirement Scheme for which they have opted and accepted by the Company. The respondents did not pay the terminal benefits on the premise that certain enquiries were alleged to have been pending. According to the petitioners, they were not issued any notices and no enquiry was pending against them. If certain references were made to the Anti-Corruption Bureau, on that premise the petitioners cannot be denied the benefit of payment of interest on par with the other employees, especially when the outcome of the said enquiry was only closing of the proceedings without being initiating any further proceedings, or issuing any notice to the petitioners. According to the learned counsel for the petitioners, as all the employees were paid the amounts towards their terminal benefits immediately after accepting their applications for the scheme, leaving the petitioners under the guise of some enquiry was pending with the Anti-Corruption Bureau, the petitioners are entitled for interest on the delayed payments. This Court find some merit in the said contention advanced on behalf of the petitioners. If the petitioners have approached this Court, the Court would have directed to deposit the amounts in Nationalised Banks as fixed deposits, which

would earn interest. Even if enquiry is pending against the petitioners, merely because they did not approach the Court earlier for non-payment of their terminal benefits, the petitioners cannot be denied for payment of interest for the delayed payment of their terminal benefits, especially when the interest was paid to other similarly placed persons. Further, as the interest was directed to be paid only at 6% per annum, it is proper and just to order payment of interest even to the petitioners also on par with other similarly placed employees.

8. Accordingly, the Writ Petitions are disposed of directing the respondents to pay interest to the petitioners on the delayed terminal benefits at the rate of 6% per annum from the date on which the same was paid to the other similarly placed persons/employees. The said amount of interest is directed to be paid within a period of six weeks from the date of receipt of a copy of this order. No costs.

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S.Ananda Reddy, J.

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COMMON ORDER

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